

Congress of the United States
Washington, DC 20515

April 28, 2021

The Honorable Mike Quigley
Chairman
Committee on Appropriations
Subcommittee on Financial Services
and General Government
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Steve Womack
Ranking Member
Committee on Appropriations
Subcommittee on Financial Services
and General Government
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Quigley and Ranking Member Womack:

As you begin drafting the Fiscal Year (FY) 2022 Financial Services and General Government (FSGG) Appropriations bill, we respectfully request that you exclude three policy riders that intentionally promote undisclosed and unaccountable money in our political system.

Congress has, through the appropriations process, previously placed funding restrictions on certain federal agencies that prevent them from promulgating rules designed to promote transparency in our democracy. Specifically, the FY 2021 appropriations bill (Public Law 116-260) expressly prohibited the U.S. Securities and Exchange Commission (Sec. 631), the Internal Revenue Service (Sec. 122) and Executive Branch more broadly (Sec. 735) from spending any appropriated funds on efforts to increase transparency of political expenditures and contributions. In effect, these prohibitions prevent these federal agencies from even considering measures, rulemakings or guidance that could provide the American electorate with comprehensive information about who is spending money in—and, potentially, influencing—their democracy.

There is tremendous public support for limiting the influence of money in politics. In 2018, the Pew Research Center found that nearly 80 percent of Americans felt “there should be limits on the amount of money individuals and organizations” can spend on campaigns.¹ Driving Americans’ cynicism regarding Congress and Washington D.C. is the public’s belief that concentrated, dark money in politics has undue influence on our political system. To restore Americans’ faith in the democratic process and encourage their participation in that process, we must rethink policies like these riders, which have been advanced to shroud the political activity of some at the expense of the public interest.

Eliminating barriers to transparency is especially important now; as stakeholders called for increased transparency, the Trump administration sought to make accountability even harder.

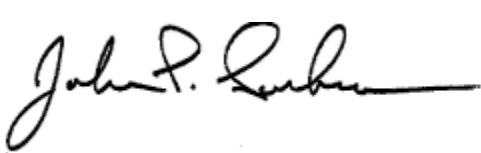
¹ <https://www.pewresearch.org/fact-tank/2018/05/08/most-americans-want-to-limit-campaign-spending-say-big-donors-have-greater-political-influence/>

In October 2018, investors representing more than \$5 trillion in assets under management submitted a new petition for a rulemaking at the SEC that would create a standard disclosure framework for all environmental, social, and governance (ESG) risks for public companies, including political spending.² Not only did the SEC under the previous administration not take up this rulemaking, but it issued new rules to make it harder for shareholders seeking accountability from companies to raise their voices.³ Additionally, the IRS proposed new rules to eliminate the requirement for some nonprofits to disclose their donors to the agency through Form 990 Schedule B.⁴ Given the public's robust support for enhanced transparency in government, we must not perpetuate policies that hide key information from the American people.

Recently, both SEC Acting Chair Allison Lee⁵ and Commissioner Caroline Crenshaw⁶ spoke about the importance of political activity information for investors. Following the attack on the United States Capitol on January 6, many corporations paused their PAC contributions to the elected officials who voted to overturn the presidential election. This move demonstrated that companies face risk when their political donations support anti-democratic actions. It is time for the agency to have the freedom to move forward with this disclosure.

We respectfully request that you consider Americans' demands for enhanced transparency in our political system and exclude from the FY 2022 FSGG Appropriations bill any language identical or similar to the aforementioned sections of the FY2021 appropriations bill. Thank you for your consideration of these requests.

Sincerely,



JOHN SARBANES
Member of Congress



ANDY LEVIN
Member of Congress



JASON CROW
Member of Congress

² <https://www.sec.gov/rules/petitions/2018/petn4-730.pdf>

³ <https://www.sec.gov/rules/proposed/2019/34-87458.pdf>

⁴ <https://www.citizen.org/news/public-citizen-to-the-irs-dont-blind-yourself-to-foreign-meddling-in-u-s-elections/>

⁵ <https://www.sec.gov/news/speech/lee-climate-change>

⁶ <https://corpgov.law.harvard.edu/2021/03/15/transparency-and-the-future-of-corporate-political-spending/#more-136994>

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